

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2021/2022

BFN1114 – INTRODUCTION TO FINTECH

(All sections / Groups)

15 August 2022

9:00 a.m. – 11:00 a.m.

(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of THREE PAGES, including this cover page.
2. Answer ALL FOUR questions in the ANSWER BOOKLET provided
3. Mark distribution for each question is given in the exam paper.

QUESTION 1 (25 MARKS)

The five successful applications for digital bank licences, as approved by the Minister of Finance, were announced by Bank Negara Malaysia (BNM) on April 29, 2022. Under the Financial Services Act 2013 (FSA), the following applicants will be licenced:

- a consortium of Boost Holdings Sdn Bhd and RHB Bank Bhd;
- a consortium led by GXSG Bank Pte Ltd and Kuok Brothers Sdn Bhd; and
- a consortium led by Sea Ltd and YTL Digital Capital Sdn Bhd.

Under the Islamic Financial Services Act of 2013 (IFSA), the following applicants are to be licenced:

- a consortium of AEON Financial Service Co Ltd, AEON Credit Service (M) Bhd and MoneyLion Inc; and
- a consortium led by KAF Investment Bank Sdn Bhd.

In a nutshell, Bank Negara Malaysia's (BNM) move demonstrates the relevance of Fintech.

a. Define Fintech with examples

(5 marks)

b. Discuss the history of Fintech from the earlier 1950s until now

(8 marks)

c. In 2014, the fintech industry experienced a massive infusion of cash. The funded start-ups are hungry and ambitious and want to disrupt the banking industry. Discuss four main factors that contribute to Fintech's popularity.

(12 marks)

QUESTION 2 (25 MARKS)

Traditional banking industry whose clients are mostly large and stable institutions, has stayed mostly unchanged for a long time. This has led to a high level of complacency among major financial institutions. Technology advancements and regulatory deregulation have resulted in the development of new players who are now posing a threat to the status quo. Incumbents are starting to realize that if they do not adapt, they may not be able to stay in power.

You are required:

a. Describe the traditional banking landscape

(6 marks)

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- b. According to the article 'Mastering digital reinvention in retail banking', an estimated 30% of banking revenues from Italy, France, and Germany are being lost due to digital technology. Discuss four effects of digital technology on banking industry and its rivalry landscape in the future.

(12 marks)

- c. Differentiate among Neo-banks, Challenger Banks, and Ibanks with examples.

(7 marks)

QUESTION 3 (25 MARKS)

- a. Differentiate between digital banking and online banking.

(10 marks)

- b. There are three classification dimensions of P2P lending platforms. What are they? How many types of P2P lending platforms are under each of these three dimensions. Please give an example for each type.

(15 marks)

QUESTION 4 (25 MARKS)

- a. It is believed that science-based advice will entirely displace human-based advice, provide your argument to support the above belief.

(10 marks)

- b. Explain new thinking patterns, standards and expectations by a new wired investor.

(15 marks)

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